

Message Text

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70

ACTION EUR-25

INFO OCT-01 ISO-00 SP-03 AID-20 EB-11 NSC-07 RSC-01

CIEP-03 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-03 INR-11 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 DODE-00 PM-07 H-03 L-03 PA-04 PRS-01 USIA-15

SAJ-01 DRC-01 /177 W

----- 077001

R 091929Z SEP 74

FM AMEMBASSY BONN

TO SECSTATE WASHDC 4926

INFO AMEMBASSY BRUSSELS

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION EC BRUSSELS

USMISSION OECD PARIS

C O N F I D E N T I A L BONN 14293

DEPARTMENT PASS TREASURY AND FEDERAL RESERVE

E.O. 11652: GDS

TAGS: EFIN, GW

SUBJECT: GERMAN LOAN TO ITALY

1. WE ARE TOLD ONE FEATURE ON THE
GOLD GUARANTY APPARENTLY IS A CLAUSE PROVIDING THAT
IN CASE OF DEFAULT THE BUNDESBANK MAY SELL THE GOLD
ON THE FREE MARKET FOR THE ACCOUNT OF THE ITALIAN
CENTRAL BANK AS LONG AS THE FREE MARKET GOLD PRICE
DOES NOT DROP BY MORE THAN AN AGREED UPON PERCENTAGE
BELOW THE GUARANTY PRICE (WHICH IN TURN IS 80 PERCENT
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OF THE AVERAGE FREE MARKET PRICE IN THE REFERENCE

PERIOD). WE WERE NOT TOLD WHAT THE AGREED UPON
PERCENTAGE FIGURE IS. IF THE FREE MARKET DROPS BELOW
THIS PRICE, THERE ARE TO BE CONSULTATIONS BETWEEN THE
CENTRAL BANKS.
HILLENBRAND

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENTS, ECONOMIC STABILITY, BANK LOANS, MONETARY GOLD
Control Number: n/a
Copy: SINGLE
Draft Date: 09 SEP 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BONN14293
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740250-0918
From: BONN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740965/aaaaccpt.tel
Line Count: 66
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 03 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03 APR 2002 by collinp0>; APPROVED <27 JUN 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GERMAN LOAN TO ITALY
TAGS: EFIN, GE, BUNDESBANK
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005